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MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Consultant Report on Agency
Procurement

REFERENCE : Your memorandum to DD/I,
dated 7 Oct 66, same subject

1. My comments on the recommendations contained
in the study of Agency procurement systems by [redacted]
[redacted] follow:

a. Special Assistant to the DDS for
Agency Procurement

I endorse the idea of assigning responsibility to one individual for the development and establishment of uniform Agency procurement policies and procedures and the general monitoring of Agency procurement. Such a position could be logically under the DDS or the DDS & T since a split procurement system is recommended.

b. Contract Review Board

The establishment of such a Board appears to me to be unnecessary. Certainly the individual designated above could review contracts of the stipulated level, calling for such information and technical advice as required without the formality of a board.

c. Production and Logistics Procurement

Concur

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GROUP 1
Excluded from automatic
downgrading and
declassification

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d. Inventory Management

Concur

e. Centralization of R & D Procurement
Under DDS & T

With the understanding that centralization of R & D procurement does not include centralization of the management and technical control of all R & D programs we can endorse this recommendation. In the case of NPIC we must continue with the responsibility for the development, approval and technical monitoring of R & D programs devoted to imagery exploitation and associated matters. We certainly have no objection to the consolidation of those administrative functions related to contract procurement negotiation and fiscal monitoring.

f. Centralization of Contract Auditing

I defer to the comments of the Inspector General.

g. Procurement Management Information
System

Concur. Such a system is very much needed.

h. Revolving Stock Fund

The present PRA system has been a source of confusion and annoyance for some time. I favor a system like the Revolving Stock Fund or the Informal Stock Fund which would provide for control by components including the prerogative of reprogramming the funds as required.

i. Security Practices in R & D Contracting

Concur. Unrealistic procedures and inconsistencies have been causing problems for contract monitors.

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j. Integration of NPIC Equipment Systems

The consultant's point is well taken. NPIC will continue to develop an integration system concept internally which will be mission-oriented and will hopefully accomplish total integration of the major contractual categories. Contractual assistance will be sought as required.

k. Management of NPIC Long Range Program

NPIC is well aware of the need for continuing attention and development of its long range R & D program. It has taken a number of steps over the past year to assure this. We are then in accord with the general thrust of the recommendation.



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EDWARD W. PROCTOR

Assistant Deputy Director for Intelligence

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